



INSTRUCTIONS ON HOW TO COMPUTE FIRST DOLLAR CREDIT

Note: The "Calculated Equalized Value" should be rounded to the nearest \$100 and equal the "Total Est. Fair Mkt" value from the property tax bill.

STEP 1: Receive the Maximum Credit Value (MCV) for the First Dollar Credit from Department of Revenue in late November. For example only: MCV = \$3,000.

STEP 2: Divide the Assessed Value of the Property (improvement plus land value) by the 2008 Assessment Ratio as certified by the Department of Revenue.

$$\begin{array}{rcl} \underline{\$290,400} & / & \underline{0.7900} = \underline{\$367,600} \\ \text{Assessed Value} & & \text{Assessment} \\ \text{Of Property} & & \text{Ratio} \\ & & \text{Calculated} \\ & & \text{"Equalized"} \\ & & \text{Value"} \end{array}$$

STEP 3: Compare the calculated "Equalized Value to the Maximum Credit Value (MCV). The LOWER of these two amounts is the "CREDIT VALUE."

Determine the lower of

$$\begin{array}{rcl} \text{Maximum Credit Value} & = & \$3,000 \\ \text{Calculated Equalized Value} & = & \$367,600 \end{array}$$

STEP 4: Multiply the Equalized Value School Tax Rate by the CREDIT VALUE as determined in Step 3. The Equalized Value School Tax Rate is certified by the Department of Revenue.

$$\begin{array}{rcl} \underline{0.010649021} & \times & \underline{\$3,000} = \underline{\$31.95} \\ \text{Equalized} & & \text{Credit} \\ \text{Value School} & & \text{Value} \\ \text{Tax Rate} & & \text{First} \\ & & \text{Dollar} \\ & & \text{Amount} \end{array}$$

NOTE: For K-8 Union High Schools, you combine the two rates then multiply it by the credit value. First Dollar Credit is based on school taxes for grades K-12.